

IN THE SENATE OF THE UNITED STATES.

FEBRUARY 28, 1891.—Ordered to be printed.

Mr. MANDERSON, from the Committee on Military Affairs, submitted the following

REPORT:

[To accompany memorial adopted in a convention of colored people at Okolona, Miss., praying the passage of the Blair educational bill and the enactment of a law granting bounty to colored soldiers during the late war.]

The Committee on Military Affairs, to whom was referred the said memorial, have had the same under consideration, report the same back, and ask to be discharged from its further consideration.

The Congress having disposed of the Blair educational bill adversely to the prayer of the memorial, your committee do not feel warranted in reporting in contrary spirit; and as to the second prayer in said memorial, your committee find that the colored veteran was placed on the same footing as to bounty as the white man.

Your committee submit the following communications from the Second Auditor of the Treasury Department, which are fully explanatory of the existing and past conditions, and form a proper basis for future legislation upon this subject.

TREASURY DEPARTMENT, SECOND AUDITOR'S OFFICE,  
*Washington, D. C., February 25, 1891.*

Hon. CHAS. F. MANDERSON,  
*United States Senate:*

SIR: In reply to your letter of the 23d instant, I have the honor to say that by an act approved March 3, 1873 (17 Stat., 601), colored persons who enlisted in the Army were placed on the same footing as other soldiers as to bounty.

As it is possible that the propositions now before you, asking the passage of a bill to allow bounties to colored troops, have reference to decisions under which bounty has been denied to a certain class of colored claimants, I inclose for your information a copy of a letter addressed to Hon. John Lynch, House of Representatives, December 31, 1882, which fully explains this matter. I also inclose a draft of a bill prepared in this office as a substitute for Senate bill 474, Fiftieth Congress, first session, "For the relief of the heirs of colored soldiers who served in the war of the rebellion." It appears, however, that the Auditor was not called upon for a report on Senate bill 474, so the substitute was not transmitted to the Senate Military Committee.

With regard to this substitute I will remark that its object was to provide means for adjusting two classes of claims in relation to which numerous complaints have been made, namely:

(1) Claims of heirs of colored soldiers who have been refused bounty for reasons set forth in the letter to Mr. Lynch.

(2) Claims of colored soldiers and their heirs who allege that they were defrauded by the subordinate agents of the late Freed men's Bureau.

In connection with the latter class of claims I respectfully invite attention to the inclosed extracts from the Auditor's annual reports for 1873 and subsequent years.

Respectfully yours,

S. Rep. 3—38

J. H. FRANKLIN,  
*Acting Auditor.*

TREASURY DEPARTMENT,  
SECOND AUDITOR'S OFFICE,  
Washington, D. C., December 18, 1882.

Hon. JOHN LYNCH, *House of Representatives*:

SIR: In accordance with your verbal request of the 16th instant in relation to claims in case of colored soldiers audited by this office, I have to make the following statement:

First. In case of colored soldiers shown by record to have been free April 19, 1861, all bounty has been allowed just the same as in case of white soldiers.

Second. The additional bounty act of July 28, 1866, and the bounty act of July 4, 1864, have been allowed in case of colored soldiers whether slave or free, in the same manner as in case of white soldiers.

Third. Prior to the act of March 3, 1873, the bounties under act of July 22, 1861, and joint resolution of January 13, 1864, were not allowed in case of colored soldiers who were slaves April 19, 1861.

Fourth. The act of March 3, 1873, was construed by the accounting officers as applicable to discharged living soldiers, not to heirs, but after the decision of the Attorney-General of March 26, 1878, all bounty in case of colored soldiers, slave or free, living or deceased, was, until February 13, 1879, allowed by this office in the same manner as in the case of white soldiers.

Fifth. Claims in case of heirs of deceased colored soldiers shown to be slaves April 19, 1861, which were filed and settled prior to the Attorney-General's decision of March 26, 1878, were, under this decision until February 13, 1879, reopened and considered when such cases were properly referred to, either by the claimants or by their duly authorized attorneys.

Claims of this character filed and disallowed prior to March 26, 1878, were and are now considered under the Attorney-General's decision of said date, when such claims supported by proper evidence are referred to, either by the claimants or their authorized attorneys.

Again, claims of this character filed prior to March 28, 1878, that have not been either settled or disallowed, but are now pending as original claims, are considered under the Attorney-General's decision of said date.

Sixth. All original claims in case of colored soldiers (in behalf of whom or whose heirs no settlement has ever been made by this office) are now considered, so far as bounty is concerned, on the same footing as claims in case of white soldiers.

The only claims in case of colored soldiers that are affected by the decision of the Secretary of the Treasury of February 13, 1879, are the claims filed as additional to those that were settled subsequent to the act of March 3, 1873, for all due under laws and decisions then in force; and the additional claims are disallowed on the ground that, according to the said decision of the Secretary of the Treasury, such claims should not be reopened.

The number of claims in which bounty was denied between the passage of the act of March 3, 1873, and the rendering of the opinion of the Attorney-General of March 26, 1878, it is difficult to determine; but probably it is not less than 2,000, the amount of bounty denied in each case varying from \$100 to \$300, according to the act under which the enlistment was made.

Very respectfully,

O. FERRIS,  
*Auditor.*

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#### ALLEGED FRAUDS UPON COLORED SOLDIERS AND THEIR HEIRS.

[Extracts from annual reports of the Second Auditor.]

1873.—“Since the transfer of the Freedmen's Bureau to the Adjutant-General's Department many illegalities and dishonest practices of some of the officers lately employed by that bureau have been discovered, necessitating much labor and care in the examination of certain claims, vouchers, and accounts.”

1874.—“Since the transfer of the Freedmen's Bureau to the War Department many frauds and malpractices have been discovered in the payment of colored soldiers and their heirs by the subagents of the late Commissioner of the Bureau, and fresh complaints continue to be made which require investigation.”

1875.—“In my last annual report the increase of cases requiring investigation was accounted for by the fact that since the transfer of the Freedmen's Bureau to the War Department frauds and malpractices have been discovered in the payment of claims by the subagents of the late Commissioner of the Bureau, and it was then presumed that the number would continue to increase until some definite action should be taken by superior authority to determine the civil liability of the bonded agents of the Bureau.”

1876.—“These remarks (see report of 1875) are still applicable, and it should be stated in addition that charges in these colored cases involving \$22,708.89 have been raised against the late Commissioner of the Freedmen's Bureau and the matter submitted to the Solicitor of the Treasury for suit and recovery of the money.”

1877.—“These remarks (see report for 1875) yet apply, and I have only to add that, owing manifestly to the migratory character of the colored people and the uncertainty of their declarations when found, the United States attorneys have since returned a majority of the cases with reports of their inability to successfully investigate them. In some instances the fact that the colored soldiers or their heirs have been defrauded of their money has been fully established. Charges have accordingly been raised against the late Commissioner of the Freedmen's Bureau, and the matter placed in the hands of the Solicitor of the Treasury for appropriate action. Those people who have not received their money are clamorous for a resettlement of their claims; but under the resolution of Congress approved March 29, 1867, directing payment to the Commissioner of the Freedmen's Bureau and charging him with the faithful disbursement of the funds, the accounting officers hold that they have fulfilled their duty and discharged their trust, so far as relates to the settlement of the claims, and that no claim can be resettled and paid without specific authority from Congress and the reappropriation of the necessary funds.”

1878.—After quoting the remarks contained in the reports for 1875 and 1876, the Auditor said: “I have now to state that the cases against the late Commissioner have been brought to an issue and judgment rendered against the Government, so that if any further action is to be had, looking to the relief of these colored people who claim to have been defrauded of their bounty money, Congress must take the initiative either by passing upon the merits of individual cases, referring them to the Court of Claims, or by making the requisite appropriation and empowering the accounting officers to resettle the claims after it shall have been clearly established that the claimants have neither received nor received their money nor derived any benefit therefrom.”

1879.—“Many colored soldiers now living, and the heirs of others who were killed in the military service, are clamorous for the pay and bounty which they claim to have been defrauded of under the régime of the Freedmen's Bureau. The accounting officers of the Treasury Department, to whom their reiterated applications are made, are powerless to afford them any satisfaction. I have referred to this matter on several occasions, as will be seen by the subjoined extracts from previous annual reports, and I beg leave to again bring the matter to your attention. (See extracts from reports for 1875, 1877, and 1878.)”

1880.—“I respectfully invite your attention to the urgent necessity of some action on the part of Congress with regard to the claims of colored soldiers and their heirs, to which special reference was made in the annual reports for 1875, 1876, 1877, 1878, and 1879.”

1881.—“By reference to the Second Auditor's reports for 1875, 1877, 1878, 1879, and 1880, it will be seen that special attention has been repeatedly invited to the cases of colored soldiers who claim to have been defrauded of their arrears of pay and bounty by the agents of the late Freedmen's Bureau. Those people who have not received their money are still clamorous for the resettlement of their claims; but under the joint resolution of Congress approved March 29, 1867 (15 Stats., 26), directing payment to be made to the Commissioner of said Bureau and charging him with the faithful disbursement of the funds, the accounting officers of the Treasury Department hold that they are *functus officio*, and that no claim can be resettled and paid without specific authority from Congress, accompanied by the requisite appropriation. The necessity of some action on the part of Congress looking to the adjustment of these claims is still urgent, and I respectfully suggest that a bill be prepared authorizing the proper accounting officers to reopen and resettle the claims of such colored soldiers as may present conclusive evidence that they have not received, in whole or in part, the pay and bounty to which they are entitled by law, the amounts found due such soldiers to be paid from any money in the Treasury not otherwise appropriated.

“In this connection, and in simple justice to the late Commissioner of the Freedmen's Bureau, it is proper to recall the fact that certain charges against him, growing out of the irregularities above referred to, have been investigated by a military court and tried before a civil court. The special court of inquiry, convened by authority of a resolution of Congress, approved February 13, 1874, not only exonerated General Oliver O. Howard from all blame, but also found that he did his whole duty, and expressed the belief that he deserved well of his country. The Supreme Court of the District of Columbia, before which suits were brought at the instance of this office to recover \$153,173.57, rendered judgments in his favor on March 11 and 12, 1878.”

1882.—“I would again invite attention to a matter that has been referred to in half a dozen annual reports, namely, the necessity for some action on the part of Congress looking to the adjustment of the claims of those colored soldiers who allege that

they were defrauded out of their arrears of pay and bounty by the subordinate agents of the late Freedmen's Bureau."

1883.—"I would again invite attention to a matter that has been referred to in half a dozen annual reports, namely, the necessity for some action on the part of Congress looking to an adjustment of the claims of those colored soldiers who allege that they were defrauded of their arrears of pay and bounty by the subordinate agents of the Freedmen's Bureau."

1885.—"Attention is invited to a matter referred to in many previous annual reports, namely, the need of special legislation for the relief of colored soldiers and their heirs, who allege that they have been defrauded by the agents of the late Freedmen's Bureau. From March, 1867, to July, 1872, the arrears of pay and bounty due discharged colored soldiers were paid to the Commissioner of the Bureau of Refugees, Freedmen, and Abandoned Lands, by authority of a joint resolution approved March 29, 1867 (15 Stats., 26), which directed that mode of payment and held the Commissioner responsible for the safe custody and faithful disbursement of the funds intrusted to him. On the settlement of his accounts a balance of \$153,173.57 was declared against him, growing out of alleged irregularities of the agents of the Bureau, but he was fully exonerated by a military court of inquiry, and judgments in his favor were rendered by the supreme court of the District of Columbia in suits brought at the instance of this office to recover the above-mentioned balance. The accounting officers hold that where the pay and bounty of a colored soldier have been paid to the Commissioner of the Freedmen's Bureau, as directed by law, they have no authority to reopen the claim, no matter how clear the proof may be that the soldier never received his due."

1886.—"Attention is invited to a matter referred to in many previous annual reports, namely, the claims of certain colored soldiers and their heirs, who allege that they have been defrauded by the agents of the late Freedmen's Bureau, to whom the moneys found due said soldiers were paid under a joint resolution approved March 29, 1867 (15 Stats., 26)."

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A BILL for the relief of certain colored soldiers who served in the war of the rebellion and their heirs.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the act entitled "An act to place colored persons who enlisted in the Army on the same footing as other soldiers as to bounty and pension," approved March third, eighteen hundred and seventy-three, be, and the same is hereby, amended so as to include the heirs of all colored soldiers who may have died or were killed while in the service of the United States, or who died after discharge, and that where a settlement has been made by the accounting officers of the Treasury in any case of the heirs of such deceased soldiers, and the bounty provided by law was not paid at the time of such settlement under the act aforesaid, the same shall be paid on proper application now on file or hereafter to be filed; and such claims as have been rejected under a decision of the Secretary of the Treasury dated February thirteenth, eighteen hundred and seventy-nine, based upon section one hundred and ninety-one of the Revised Statutes of the United States, shall be reopened and again investigated, and if found unpaid, shall be paid the heirs of such deceased soldiers.

SEC. 2. That the proper accounting officers of the Treasury shall consider and adjust the claims of colored soldiers and their heirs for arrears of pay and bounty in cases where said arrears were paid to the Commissioner of the Bureau of Refugees, Freedmen, and Abandoned Lands under the provisions of the joint resolution entitled "A resolution in reference to the collection and payment of moneys due colored soldiers, sailors, and marines, and their heirs," approved March twenty-nine, eighteen hundred and sixty-seven, but were not paid to the soldiers or their heirs by the Commissioner of said Bureau or his agents, and if it be found that said soldiers or their heirs have not received the amounts due them, the same shall now be paid: *Provided,* That if any claims of the class mentioned in this section shall have been rejected under any decision of the accounting officers or of the Secretary of the Treasury, such rejected claim shall be reopened and adjusted under the provisions of this act.